



Updates from the Mendocino County
INLAND WATER & POWER COMMISSION

Securing Our Water Future Through New Diversion and Storage Solutions

The Region Is Facing a Major Water System Transition

PG&E has decided to dismantle the Potter Valley Project, including Scott Dam at Lake Pillsbury. As the owner of the project, PG&E determined that continuing operations is no longer economically viable. Local agencies cannot force PG&E to continue operating the project.

IWPC's responsibility is to move quickly and strategically to secure a reliable water future with supply and storage solutions we can control and deliver.



Protect the Legal Right to Water

IWPC reached a historic **Water Diversion Agreement** with Tribal, environmental, and regional partners to ensure diversions can continue after PG&E removes the project. This agreement creates the **legal pathway to continue diverting water** into the Russian River watershed.



Build a New Trans Basin Diversion

The **New Eel-Russian Facility** will replace the Potter Valley Project infrastructure and enable continued diversions from the Eel River into the Russian River watershed. The NERF will supply water to homes and communities, agriculture, businesses and jobs across Mendocino, Sonoma, and Marin counties.



Build Water Storage

Water must be captured during wet periods and **stored for use** during drought and dry seasons. That means we must build new storage capacity.

Preparing for the Future Means Focusing on Achievable Solutions

PG&E owns Scott Dam and decided to remove it. No public agency or private entity stepped forward to assume ownership and liability for Scott Dam because it is not economically viable. Consultant developed cost estimates show that repairing Scott Dam and operating the Project could cost between \$300–500M in repairs, fish passage construction, relicensing, and tens of millions per year in long-term maintenance.

Fighting dam removal at this point would jeopardize the Water Diversion Agreement, which requires that IWPC does not publicly advocate to keep Scott Dam. But **we CAN work toward real and meaningful alternatives** for water supply security.



Diversion Alone Is Not Enough: New Storage Is Essential

Mendocino County IWPC and technical consultants evaluated multiple water supply options and prioritized **4 storage strategies** that provide the greatest benefit and most realistic path forward:

Water Yield: Highest

1 Expand Lake Mendocino Storage

Raising Coyote Valley dam is the most important long-term investment in regional water reliability. It could double Lake Mendocino storage, allowing for an additional potential 70,000 acre–feet (AF) of water supply storage.

Next Steps:

- Provide \$4M in local funding share for Army Corps study
- Secure \$1M for legal, consulting, and advocacy efforts
- Prepare for up to \$75–150M in local costs for construction (with large federal funding support)

Water Yield: Medium

2 Groundwater Storage and Recharge

Investing in groundwater storage would provide a scalable, locally controlled supply. Groundwater storage could provide approximately 3,500 AF per year of additional supply to Potter Valley.

Next Steps:

- Continue feasibility studies to evaluate potential capacity
- Invest \$2M for test wells and monitoring
- Prepare for \$5–20M in local construction costs

Water Yield: Medium

3 Expand Potter Valley Pond Storage

Pond storage expansion provides flexible and incremental storage options for local agricultural users. Total capacity is yet undetermined.

Next Steps:

- Invest \$100–200K in site assessment and feasibility work
- Prepare for \$1–5M in local construction costs
- Pursue potential private investments

Water Yield: High

4 Evaluate New Tributary Surface Storage

New surface storage on a tributary to the Russian River, upstream of Lake Mendocino, could provide a potential for 10,000–15,000 AF of new storage to serve Potter Valley.

Next Steps:

- Invest \$3M in site assessment and geotechnical studies
- Prepare for \$50M in potential construction investment, plus private investment

Investing now in feasibility and planning for these new storage options allows our region to compete for state and federal funding. Delaying action risks losing funding opportunities and jeopardizing water reliability. **Building new storage will secure our future water supply and protect our communities, farms, businesses, and regional economy for generations to come.**

For additional information contact IWPC@mendoiwpc.com

IWPC was formed as a joint powers authority to serve as stewards of the Russian and Eel River watersheds, safeguarding the water that plays such a vital role to the region's economic development, environmental quality, and general well-being. IWPC members include:

- County of Mendocino
- City of Ukiah
- Redwood Valley County Water District
- Potter Valley Irrigation District
- Mendocino County Russian River Flood Control and Water Conservation Improvement District



IWPC Key Message Platform

IWPC's responsibility is to secure water for the future — and that requires diversion and storage solutions we can actually pursue, control and deliver.

- **IWPC mission = water reliability:** IWPC's mission is to protect long-term water reliability for our communities, farms, and ranches throughout the Russian River watershed. Water reliability is essential to protect our local economy and way of life.
- **PG&E's decision about their own facility:** The region is facing a historic transition – PG&E is decommissioning the Potter Valley Project, which they own, because they have determined that the project is not a responsible investment for the company or their ratepayers. Scott Dam will be removed as part of that process. We cannot force PG&E to maintain ownership of any aspect of the Potter Valley Project.
- **Pursuing what we can control:** It is not our responsibility, nor is it within our control, to try to reverse PG&E's decision to decommission the PVP. It is our responsibility to stay focused on securing a reliable supply for the future through means that *are* within our control. That means protecting our ability to divert water from the Eel River and building the storage capacity necessary to make use of that water.

IWPC must be focused on storage and diversion — not attempting to save Scott Dam.

- **Urgent action is needed:** There is a need for urgent action on solutions so that we do not have a gap in water service delivery after the Potter Valley Project is decommissioned. That means we must move quickly forward with permitting and construction of a new trans basin diversion - known as the New Eel Russian Facility - so that the infrastructure is in place when we need it; and we must move forward on building storage so we have a place to put the water that comes through the new trans basin transfer. Expanded storage is an investment that will serve us right away by improving drought resiliency and supply security.
- **Scott Dam takeover is not feasible:** PG&E has made the decision to decommission the Potter Valley Project as part of its license surrender process. Consultant-developed cost estimates show taking over the Potter Valley Project, repairing Scott Dam, and operating the Project could cost \$300M to \$500M of dollars in repairs, fish passage, relicensing, and tens of millions per year in long-term maintenance. No public agency or private entity stepped forward to assume ownership and liability for Scott Dam because it is not economically viable. Furthermore, just taking over Scott Dam would not be a complete solution because there would be no legal right to divert water from the Eel River.
- **WDA provides legal water rights:** IWPC signed a landmark Water Diversion Agreement with Tribal, State, environmental, and regional partners (including Humboldt County, Sonoma County, Sonoma County Water Agency, California Trout, Eel Russian Project Authority, IWPC,

Round Valley Indian Tribes, and Trout Unlimited) to secure the legal right to future water diversions into the Russian River watershed. The agreement requires that all signatories to the agreement support continued diversions. It also requires that all signatories “advance the timely removal of Scott Dam and Cape Horn Dam.”

- **Cannot jeopardize the WDA:** Parties working against the intentions of the Water Diversion Agreement are putting our future water security at risk. If the Water Diversion Agreement and the coalition behind it fails, there is no legal or operational pathway to continue diversions, thus putting the economic future of communities along the Russian River watershed in jeopardy. Bottom line: Fighting to preserve Scott Dam jeopardizes the agreements that protect our future water supply.

IWPC considered a wide range of storage options to actively pursue.

- **Need somewhere to store water:** Diversion alone is not enough – we must also create storage capacity to capture and use that water effectively. A continued diversion and new storage projects work together.
- **Expanded lake storage is essential:** Expanding storage capacity in Lake Mendocino - through modernization of Coyote Valley Dam - is the fundamental, most important, storage solution for Russian River water users. Because water flows come during wet winter months, storage in Lake Mendocino is necessary to supply water through the dry months. Additionally, the expanded lake storage will improve water supply reliability when we face multiple consecutive drought years.
- **Additional concepts considered:** Beyond expanding storage capacity at Lake Mendocino, IWPC and technical consultants have considered a range of water supply and storage options for Potter Valley, which lies upstream of Lake Mendocino. These options include:
 - Irrigation system efficiency improvements
 - On-farm demand management
 - Tributary storage reservoirs
 - Groundwater recharge
 - Pump-back systems from Lake Mendocino
 - In-valley pond storage in Potter Valley
 - East Fork Russian River storage concepts
- These options vary significantly in water yield, cost, environmental impacts, permitting complexity, timelines, and operational feasibility.

IWPC has now prioritized the four storage options that provide the greatest benefit and most realistic path forward.

- **1) Expanding Lake Mendocino storage by modernizing Coyote Valley Dam** is the most important long-term investment in our water future. Modernizing and raising Coyote Valley Dam offers the greatest opportunity to increase storage capacity and protect regional water supply reliability.
 - Raising the dam could double the storage capacity of Lake Mendocino, so it could

provide an overall 240,000 acre-feet of storage, benefiting the entire watershed.

- A study is underway in partnership with the U.S. Army Corps of Engineers. We need to continue down this path and pursue opportunities for federal funding, which may include special legislation. Federal and Tribal partnerships will make this project more affordable and achievable.
- We expect to provide approximately \$4 million in local funding to cost-share the Army Corps feasibility study. We will also need to invest about \$1 million in legal, consulting, and federal advocacy to secure project approvals and funding. In the longer term, we need to be prepared for a local construction cost share of up to \$75 million, with federal partners covering a substantial portion.
- **2) Groundwater storage and recharge within Potter Valley** provide scalable, locally controlled supply reliability. Groundwater storage could provide approximately 3,500 acre-feet per year of additional supply.
 - IWPC is pursuing feasibility work including test wells and monitoring to evaluate groundwater storage potential.
 - Increasing groundwater storage allows incremental development based on proven performance and available funding.
 - Next steps and required investment: We will need to invest approximately \$2 million to drill test production wells and monitoring wells. We should be prepared for local construction investment of \$5 million to \$20 million, depending on project scale.
- **3) Expanding pond storage in Potter Valley** provides additional local water security and flexibility. Pond storage can be expanded incrementally to meet local needs.
 - This approach provides flexibility and allows growers and communities to increase storage over time. Pond storage capacity is undetermined but could support local water reliability and complement larger regional storage investments.
 - Next steps and required investment: We will need to invest \$100,000 to \$200,000 in site assessment and feasibility work. We should be prepared for a local construction cost share of approximately \$1 million to \$5 million, plus potential private investment.
- **4) Investigating new surface storage on tributaries to the Russian River**, upstream of Lake Mendocino, could provide additional supply to Potter Valley and potentially to downstream users.
 - Several tributaries to the Russian River upstream of Lake Mendocino would be viable candidates for new storage. All of the sites are above the point of anadromy and located on private land.
 - Conceptual studies have identified a potential for 10,000- 15,000 AF of new storage.
 - Next steps and required investment: We will need to invest approximately \$3 million in

site assessment and geotechnical work. We should be prepared for local construction cost share of approximately \$50 million, plus potential private investment.

Taking action now ensures we are prepared to protect our water supply for future generations.

- This is a once-in-a-generation opportunity to build a modern, sustainable water supply and storage system ***that we who live in the Russian River watershed control. It will be a water supply and storage system owned by a local Joint Powers Authority—the Eel Russian Project Authority—with representatives from Mendocino and Sonoma Counties—rather than by a private corporation like PG&E.*** The development of a new trans basin diversion allows the region to replace aging infrastructure with modern solutions.
- The path forward is clear:
 - Protect the legal right to water by adhering to the Water Diversion Agreement
 - Build the New Eel Russian Facility to enable diversions to continue
 - Expand storage at Lake Mendocino for regional benefit
 - Develop storage that serves Potter Valley
- These investments are essential to protect our farms, businesses, communities, and regional economy for generations to come.



Coyote Valley Dam General Investigation Study April Update



• USACE Activities

- USACE paused study on October 20, 2025. Waiting for additional funding.

• Sponsor Activities

- IWPC & Lytton exploring opportunities for shared federal messaging and advocacy.
- IWPC & Lytton met with Rep. Huffman on March 10th. The Congressman reaffirmed his support for the project and committed to help pursue additional funding.
- Next CVD Ad Hoc Committee Meeting – April 27th.

• Funding Outlook

- Energy & Water Development Appropriations Bill passed and signed by the President on January 23rd.
 - Includes \$7.5M for USACE General Investigations (GI) Workplan.
 - Deadline to release list of projects funded is March 24th but will likely be delayed until release of the President's Budget.
- FY27 President's Budget is due anytime, currently expected by April 3rd.
- IWPC submitted FY27 Community Project Funding Requests through Rep. Huffman, Sen. Schiff, and Sen. Padilla.
 - Congressman Huffman confirmed the study is one of 20 projects he is advancing for funding consideration.



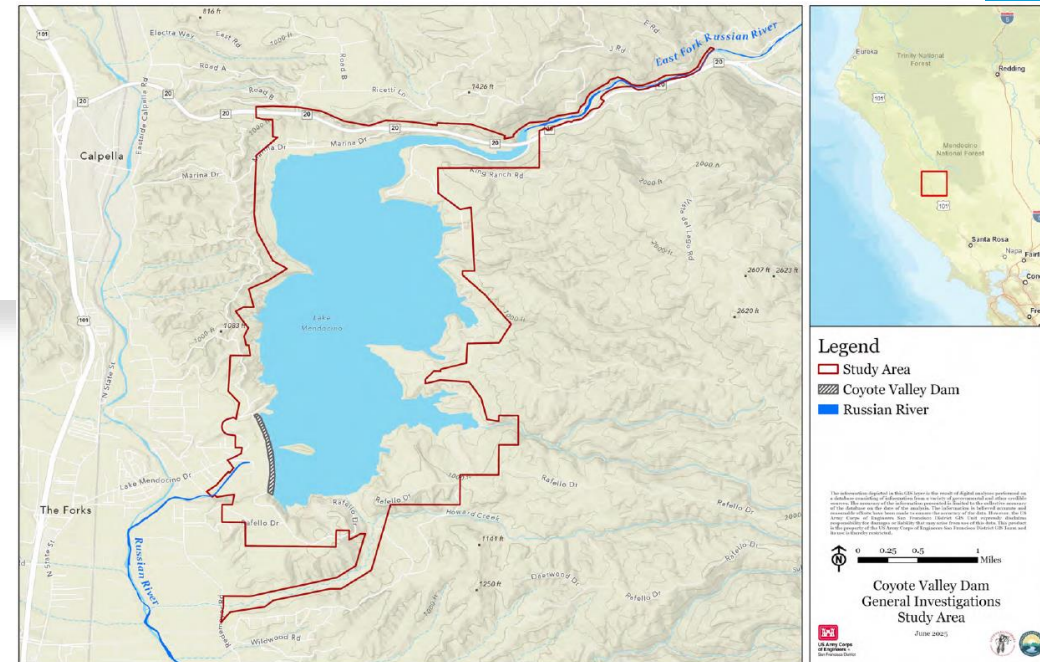
Coyote Valley Dam General Investigation Study Background



Last Updated: 3/24/2026

- Study authorized by Section 1201(3) of the Water Resources Development Act of 2016 (PL 114-322).
- Feasibility Cost Sharing Agreement signed March 31, 2025
 - MCIWPC and Lytton Rancheria are joint non-Federal sponsors
 - Includes \$658,000 credit for Tribal participation.
 - Establishes \$3,000,000 budget cost-shared 50% Fed / 50% Non-Fed minus Tribal credit.
 - Local Agreement between MCIWPC and Lytton signed March 19, 2025.
- Federal Appropriations History:
 - FY 2024 = \$500,000
 - FY 2025 = \$0
 - FY 2026 = TBD
- Completed Activities:
 - NEPA interagency kickoff meeting conducted June 26, 2025; additional scoping will resume once additional federal funds are received.
 - Series of meetings (charettes) held July 2025 to identify study problems and opportunities and begin documenting existing and future conditions.
 - Coyote Valley Dam site visit occurred August 5, 2025.

Study Area



DRAFT IWPC BUDGET 2026-27 v 4/4/26
 (for Commission review on 4/9/26)

Expenses	REVENUE SOURCES			Revenue Totals	Notes
	IWPC members Contributions	CDFW grant	Federal Funding		

Base Expenses

STAFF/CONSULTANTS

Administration (17 hrs/mo x \$50/hr)	\$ 15,000	\$ 15,000				
Exec. Director (0.6 FTE; incl expenses)	\$ 150,000	\$ 150,000				
MCIWPC General Counsel (Scott Shapiro)	\$ 75,000	\$ 75,000				
ERPA General Counsel (Scott Shapiro)	\$ 25,000		\$ 25,000			
Agency Engineer (Tom Johnson)	\$ 50,000	\$ 50,000				
Financial Planning (LWA)	\$ 50,000	\$ 50,000				
Grant writing	\$ 30,000	\$ 30,000				
Subtotals	\$ 395,000	\$ 370,000	\$ 25,000	\$ -	\$ 395,000	

BASIC OPERATIONS

Insurance	\$ 3,500	\$ 3,500				
CA Special District Assoc. (CSDA) membership	\$ 500	\$ 500				required for insurance
Website	\$ 1,000	\$ 1,000				
Post office fees	\$ 200	\$ 200				
Google Suite/Zoom	\$ 510	\$ 510				
Office supplies	\$ 500	\$ 500				
Misc./contingency	\$ 790	\$ 790				
Subtotals	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ 7,000	

Base Expenses Total: \$ 402,000

Projects / Studies

New Eel Russian Facility (NERF)

Consultants (hired through ERPA/SCWA)	\$ -	\$ -				
Legal (Scott Shapiro)	\$ 50,000	\$ 50,000				
Project Management (Tom Johnson)	\$ 70,000	\$ 20,000	\$ 50,000			
Lobbying - State (grants, SWRCB, PUC)	\$ 60,000	\$ 60,000				
Subtotals	\$ 180,000	\$ 130,000	\$ 50,000	\$ -	\$ 180,000	

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Lake Mendocino Increased Storage Capacity

Legal (Scott Shapiro)	\$ 50,000	\$ 50,000				
Project Management (LWA-Nagy / Tom Johnson)	\$ 80,000	\$ 80,000				
USACE led General Investigation (feasibility study)	\$ 900,000	\$ -	\$ 250,000	\$ 650,000		Fed incl Lytton credit
Lobbying - Federal (CVD, USBR, Permitting)	\$ 120,000	\$ 120,000				
Subtotals	\$ 1,150,000	\$ 250,000	\$ 250,000	\$ 650,000	\$ 1,150,000	

Potter Valley Storage (GW, tributaries, ponds, etc.)

Project Management (Tom Johnson)	\$ 50,000	\$ 20,000	\$ 30,000			
Legal/Strategy (Scott Shapiro)	\$ 50,000	\$ 50,000				
PV Water Reliability Study by Jacobs (Grant Management reimbursement to SCWA)	\$ 68,000	\$ 68,000				*Redwood Valley credit for \$13.6k
Consultants for PV Storage Studies (TBD)	\$ 250,000		\$ 250,000			
Subtotals	\$ 418,000	\$ 138,000	\$ 280,000	\$ -	\$ 418,000	

Project / Studies Total: \$ 1,748,000

TOTALS	\$ 2,150,000	\$ 895,000	\$ 605,000	\$ 650,000	\$ 2,150,000	
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IWPC Member Contributions						Notes
Potter Valley Irrigation District	\$ 125,000					
Redwood Valley Water District	\$ 125,000					RV has \$13.6k credit.
Mendocino County	\$ 215,000					
Russian River Flood Control	\$ 215,000					
City of Ukiah	\$ 215,000					
Totals:	\$ 895,000					